

ASSEMBLY BILL

No. 1966

Introduced by Assembly Member Wiggins

February 18, 2000

An act to amend Section 75.11 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1966, as introduced, Wiggins. Property tax: supplemental assessments.

Existing property tax law provides for 2 supplemental assessments if a change in ownership occurs or new construction is completed on or after January 1 but on or before May 31.

This bill would prohibit the term assigned to a taxable possessory interest, to determine a supplemental assessment upon that interest, from exceeding the length of the period during which the holder of the possessory interest retains the right of actual physical occupation, or a claim to the right of actual physical occupation.

Section 2229 of the Revenue and Taxation Code requires the Legislature to reimburse local agencies annually for certain property tax revenues lost as a result of any exemption or classification of property for purposes of ad valorem property taxation.

This bill would provide that, notwithstanding Section 2229 of the Revenue and Taxation Code, no appropriation is made and the state shall not reimburse local agencies for property tax revenues lost by them pursuant to the bill.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 75.11 of the Revenue and
2 Taxation Code is amended to read:
3 75.11. (a) ~~If~~ *Except as otherwise provided in*
4 *subdivision (d), if* the change in ownership occurs or the
5 new construction is completed on or after January 1 but
6 on or before May 31, then there shall be two supplemental
7 assessments placed on the supplemental roll. The first
8 supplemental assessment shall be the difference between
9 the new base year value and the taxable value on the
10 current roll. In the case of a change in ownership of the
11 full interest in the real property, the second supplemental
12 assessment shall be the difference between the new base
13 year value and the taxable value to be enrolled on the roll
14 being prepared. If the change in ownership is of only a
15 partial interest in the real property, the second
16 supplemental assessment shall be the difference between
17 the sum of the new base year value of the portion
18 transferred plus the taxable value on the roll being
19 prepared of the remainder of the property and the
20 taxable value on the roll being prepared of the whole
21 property. For new construction, the second
22 supplemental assessment shall be the value change due
23 to the new construction.
24 (b) If the change in ownership occurs or the new
25 construction is completed on or after June 1 but before
26 the succeeding January 1, then the supplemental
27 assessment placed on the supplemental roll shall be the
28 difference between the new base year value and the
29 taxable value on the current roll.
30 (c) If there are multiple changes in ownership or
31 multiple completions of new construction, or both, with
32 respect to the same real property during the same
33 assessment year, then there shall be a net supplemental
34 assessment placed on the supplemental roll, in addition to

1 the assessment pursuant to subdivision (a) or (b). The net
2 supplemental assessment shall be the most recent new
3 base year value less the sum of (1) the previous entry or
4 entries placed on the supplemental roll computed
5 pursuant to subdivision (a) or (b), and (2) the
6 corresponding taxable value on the current roll or the
7 taxable value to be entered on the roll being prepared, or
8 both, depending on the date or dates the change of
9 ownership occurs or new construction is completed as
10 specified in subdivisions (a) and (b).

11 (d) *Notwithstanding any other provision of law to the*
12 *contrary, the term assigned to a taxable possessory*
13 *interest to determine a supplemental assessment or*
14 *assessments upon that interest may not exceed the length*
15 *of the period during which the holder of the possessory*
16 *interest retains the right of actual physical occupation, or*
17 *a claim to the right of actual physical occupation.*

18 (e) No supplemental assessment authorized by this
19 section shall be valid, or have any force or effect, unless
20 it is placed on the supplemental roll on or before the
21 applicable date specified in paragraph (1) or (2), as
22 follows:

23 (1) The fourth July 1 following the July 1 of the
24 assessment year in which either a statement reporting the
25 change in ownership was filed pursuant to Section 480,
26 480.1, or 480.2, a preliminary change in ownership report
27 was filed pursuant to Section 480.3, or the new
28 construction was completed.

29 (2) The sixth July 1 following the July 1 of the
30 assessment year in which either a statement reporting the
31 change in ownership was filed pursuant to Section 480,
32 480.1, or 480.2, a preliminary change in ownership report
33 was filed pursuant to Section 480.3, or the new
34 construction was completed, if the penalty provided for
35 in Section 504 is added to the assessment.

36 For the purposes of this subdivision, “assessment year”
37 means the period beginning annually as of 12:01 a.m. on
38 the first day of January and ending immediately prior to
39 the succeeding first day of January. No limitations period
40 specified in paragraph (1) or (2) shall commence unless

1 the filing or transmittal specified in the relevant
2 paragraph has been completed.

3 ~~(e)~~

4 (f) If, before the expiration of the applicable period
5 specified in subdivision ~~(d)~~ (e) for making a
6 supplemental assessment, the taxpayer and the assessor
7 agree in writing to extend the period for making a
8 supplemental assessment, correction, or claim for refund,
9 a supplemental assessment may be made at any time
10 prior to the expiration of that extended period. The
11 extended period may be further extended by successive
12 written agreements entered into prior to the expiration
13 of the most recent extension.

14 SEC. 2. Notwithstanding Section 2229 of the Revenue
15 and Taxation Code, no appropriation is made by this act
16 and the state shall not reimburse any local agency for any
17 property tax revenues lost by it pursuant to this act.

18 SEC. 3. This act provides for a tax levy within the
19 meaning of Article IV of the Constitution and shall go into
20 immediate effect.

